

BLUE KNOT FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

A.B.N 49 072 260 005

**FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED**

30 JUNE 2021

BLUE KNOT FOUNDATION
A.B.N 49 072 260 005

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CHAIR'S REPORT

It has been a pleasure to Chair the Board of the Blue Knot Foundation during 2021.

As a board, we are immensely proud of what has been achieved by President, Dr Cathy Kezelman, our Deputy CEO Belinda Johnson and the entire Blue Knot team.

These achievements include Dr Kezelman becoming a recipient of the Impact 25 award. The award is granted to individuals who spend their days advocating on important issues, usually working over years and even decades to generate positive social change and support communities.

In this award she was recognised for driving systems change, advocating for greater understanding and comprehensive policy and practice change to respond to the needs of Australians experiencing violence, abuse, neglect and exploitation as a child or adult.

I am proud to see how the Foundation has flourished with a fantastic culture and strong leadership, both existing and new, all whilst dealing with the second year of the global pandemic, and a more significant one for Australia. The ability to continue to operate smoothly and effectively from home whilst dealing with an increase in the number of calls due to the pandemic, and to deliver training nationally has been admirable.

This year has seen preparation for our refreshed Blue Knot brand and new websites in the next financial year. The refreshed branding embodies the empowering vision that we espouse.

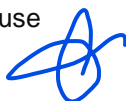
Internally, we integrated a new CRM system alongside a range of other fit-for-purpose systems to secure infrastructure which collectively will enable us to engage with and support the diverse stakeholders in our ecosystem while supporting our continued growth effectively and efficiently.

We welcomed a new Ambassador, Damien Rider. Damien has his own lived experience of childhood trauma and abuse and his unique and inspirational path to healing and resilience.

Unfortunately, two board members will be retiring this year. Angela McKenzie-Mountain and Terry Fitzpatrick have both completed their fifth year on the board, along with Mathew Rockell who was unable to continue with his appointment due to personal reasons. I would like to thank them and the rest of our directors for the loyalty, dedication, and commitment they have shown to Blue Knot and their contribution to the board. We look forward to welcoming our new board members next year and the positive contributions they will also make to work of the Foundation and possibilities for recovery for survivors of complex trauma.

Sarah Gatehouse

Chair



Date: 15/11/2021

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PRESIDENT'S REPORT

This last 12 months have been one of highs and lows for Blue Knot. Highs because we continue to grow and develop as an organisation and in so doing, reach and support more survivors of complex trauma every day.

Lows because Blue Knot is part of a global and national community which has been challenged by and continues to be challenged by the COVID-19 pandemic, not the least of which are the mental health impacts.

Many of the people we support are already living with the impacts of trauma and enforced social isolation, lockdowns, physical distancing and face masks have brought additional pressures. These have been compounded in many cases by economic and health challenges alongside the loss of the usual supports and services. As a result, demand for our support has never been greater and we have never felt more honoured to provide it.

In this last financial year, we have provided 22,500 Occasions of Service on our Blue Knot Helpline and close to 6,000 Occasions of Service related to the National Redress Scheme. Our National Counselling and Referral Service supporting people with disability and experiences of violence, abuse, neglect and exploitation delivered 8,207 Occasions of Service this last year including 1,260 to people in closed institutions.

Our Training, Practice and Organisational Change team delivered 358 training sessions to close to 7,500 participants. Close to 10,000 of our core 6 fact sheets were downloaded but now with over 40 fact sheets presented in different formats that total number is much higher. There were also 13,500 views of our core 5 videos but with our expanding library of clips, including panel and information sessions this is also undoubtedly much higher. But Blue Knot is much more than statistics- we are about people and relationships, both internally amongst our team and externally with those we support, guide, inform, educate, train and supervise.

In this period, we worked from home, returned to the office, developed a blended style of working and then worked from home again. Each of these moves necessitated enormous agility to ensure the stability we need to continue to deliver safe services on our Helplines and through our Training, Practice and Organisational Change arm. Not only did we continue to deliver client-centred trauma-informed culturally attuned services but we upgraded and integrated state-of-the-art policies, systems and infrastructure which will set us in good stead well into the future. Our inaugural digital Festival of Healing for Blue Knot Day featuring our ambassadors and members of the Blue Knot community presented the foundation for our events into the future. As we enter the New Year with new websites on the agenda, and a refreshed brand identity, Blue Knot will also embody the safety and connection we enact.

That said I would like to commend the staff of Blue Knot for their commitment, dedication, flexibility and professionalism through this time. The team has been remarkable, and I would like to thank each person for their collegiality and drive, and to the leadership team, and especially my Deputy, Belinda Johnson, a special thank you for steering your teams so steadfastly through these times and always. And to the board, under Sarah Gatehouse, thank you for your generosity in volunteering your time and expertise to make Blue Knot the highly respected leader it has become.



Dr. Cathy Kezelman AM

President

Date: 15/11/2021

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DIRECTORS' REPORT

1. Directors and information on directors

Philippa Bell

LLB (Hons), BA, Grad Dip (Legal Practice), Grad Dip (Applied Finance and Investment)

Pip is a lawyer with over 15 years of experience across private practice (small and large firms), government and in-house financial institution roles, assisting clients ranging from start-ups through to global brand names with business establishment, capital raising, governance and regulatory matters. She has also provided legal services to cancer patients on a pro bono basis. She currently works in a small, boutique law firm specialising in investment management and financial services regulation. Outside of her work, Pip likes to embark on physical challenges to fundraise for charity and she has raised over \$20,000 for a number of worthy causes through long distance running, walking and ocean swimming.

Matthew Rockell – Resigned 30 May 2021

Bachelor Applied Science

Matthew has a background in applied sciences, education, and consulting and is currently working in Westpac Group Technology on Workforce Optimisation. I manage the technology division's Science, Technology, Engineering, Mathematics (STEM) advocacy strategy and scholarship programs offered on behalf of the Westpac Scholars Trust.

Prior to joining Westpac, Matthew previously held the position of Head of Product at Karrikins Group, a consulting firm with deep expertise in business transformation and community investment. He has led the development of community investment strategies, innovation, impact measurement and evaluation programs for clients across Corporate, NFP/Community and Government sectors including work for Optus, CBA, Microsoft, Royal Bank of Canada and various government departments and public institutions in Australia and New Zealand.

Dr Catherine Kezelman AM

MBBS (Hons)

Special Responsibilities: President

Catherine Kezelman is a medical practitioner, mental health consumer advocate and Blue Knot Foundation President.

Under her stewardship Blue Knot Foundation has grown from a peer support organisation to a leading national organisation combining a prominent consumer voice with that of researchers, academics and clinicians advocating for socio-political change and informed responsiveness to complex trauma. She is a prominent voice in the media and at conferences, as well as author of a memoir chronicling her journey of recovery from child sexual abuse: *Innocence Revisited* - a tale in parts. She is co-author of many seminal Blue Knot publications, and other peer-reviewed articles.

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DIRECTORS' REPORT

Belinda Johnson

JP, B.Bus(Acc), CSA(Cert), FIPA

Special Responsibilities: Company Secretary 1/7/20 - 21/11/20 and Deputy CEO

Belinda Johnson is Deputy CEO of Blue Knot Foundation and an Accountant with over 25 years of finance and business experience in a variety of SMEs. Belinda has a strong background in corporate governance, business and finance management, audit and risk and competitive/lean manufacturing and Public Practice. Belinda currently is in Public Practice providing Cloud based financial management solutions to a variety of micros and SME. Belinda holds a Bachelor of Business (Accounting) from UWS and a Certificate in Governance Practice with the Governance Institute of Australia.

Angela McKenzie - Mountain

BA Acc, CPA, CIMA

Special Responsibilities: Chairperson

Angela is a senior finance professional with over 20 years' experience in commerce. She has experience in reporting to the boards of both small and large corporations, some of which were listed on the stock exchange in Australia and the UK. Angela specialises in Finance, Leadership, Change Management, Governance and Retail. She is currently studying for a Graduate Diploma of Applied Corporate Governance at the Governance Institute Australia.

Terry Kirkpatrick

BA Psychology (Hons), PGrad Dip Psychology, PhD, MAPS

Special Responsibilities: Company Secretary 21/11/20 - current

Terry is a registered psychologist with over 30 years clinical experience working in mental health in the public sector, non-government organizations and private practice. Terry is currently appointed by the New South Wales Minister of Health to the Official Visitor Program under the *Mental Health Act 2007* (NSW). He has researched the impact of trauma and vicarious trauma on emergency service personnel funded by the Australian Research Council. Terry is a member of the Australian Psychological Society and sits on the Advisory Council and Practice Senate as well as serving as the NSW Representative on the National Division of General Practicing Psychologists. He is also a clinical member of the International Association of Applied Psychology. Terry is a survivor of childhood abuse.

Sarah Gatehouse

PG Dip MGSM, AICD

Sarah has over 20 years' experience in Human Resources with a post-graduate diploma from Macquarie Graduate School of Management. Her broad generalist experience covers a number of industries both blue and white collar. Most recently she has been responsible for driving meaningful organisational change and transformation which resulted in a significant improvement in culture. Sarah is on the boards of two not for profit organisations who focus on encouraging personal development and success. She has had personal experience in dealing with mental health concerns and values the important work that the Blue Knot Foundation delivers.

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Mia Kwok

B.IntComm;B.Phil(Media)

Mia is an experienced media and communications professional. She focuses on media relations, with a specialisation in finance and property. She currently is Freelancing and previously worked with the Urban Development Institute Australia to build it's public relations and content strategy, and was the editor of icon, a magazine for property developers and planners and editor at Business Insider, writer for Yahoo and has worked in various broadcast newsrooms.

Mia was the former Vice President – Equity and Diversity for the Council of Australian Postgraduate Associations (CAPA).

Silvio Del Vecchio

Bsc, MBA, MAICD

Silvio Del Vecchio is a Chairman, Board Member, Director, Investment Executive and Small Business Owner. He has more than 15 years' board level experience across the private and not-for-profit sectors, and with particular experience in the financial services, sport and cosmetic treatment industries.

Board level highlights include: Chairman of the Professional Rugby League Match Officials Inc (PRLMO) where he negotiated a 4-year Enterprise Bargaining Agreement with the NRL on Referees' pay, conditions and welfare – a significant milestone in the history of the Game; and board member of two Charitable Foundations – Adults Surviving Child Abuse (now Blue Knot Foundation); and The Corrilee Foundation.

In an executive capacity Silvio is currently owner of three very successful clinics in the Laser Clinics Australia network. Previously he was Associate Director, Investment Consultant at Macquarie Group.

Silvio has a Bachelor of Science, a Master of Business Administration, and has completed the Australian Institute of Company Directors (AICD) Course.

2. Objectives

The Foundation's short term objectives are:

- a. to empower recovery and build resilience for Australian adults who experience the impacts of complex trauma;
- b. to provide support, education and resources for the families and communities of adult Survivors of complex trauma;
- c. to develop and disseminate best practice and research evidence around complex trauma;
- d. to build national workforce capacity around complex trauma treatment, trauma-informed practice and managing vicarious trauma;
- e. to drive innovation in complex trauma policy, practice and service delivery;
- f. to embed trauma-informed policy, practice and systems change within organisations and the community;

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DIRECTORS' REPORT

- g. to distribute regular communications to:
 - i. disseminate current research and articles of interest to Survivors and those who support them personally and professionally;
 - ii. inform Company members of forthcoming events, workshops, seminars and conferences; and
 - iii. report previous Company meetings/events to members unable to attend;
- h. to deliver training programs, workshops, conferences and other services to a variety of personnel and practitioners for Survivors, supporters, professionals and other personnel;
- i. to provide a national network for Survivors of complex trauma throughout Australia;
- j. to run an interactive, comprehensive, state of the art website to help the Company achieve its objects; and
- k. to operate a telephone service to help achieve the objects of the Company.

The longer term objective is to build a trauma-informed world, based on growing awareness of trauma, including of complex trauma.

3. Strategy for achieving the objective

To achieve its stated objectives, the Foundation has adopted a community providing information and support for anyone who is affected by complex trauma. Complex trauma is repeated, ongoing, and often extreme interpersonal trauma (between people) – violence, abuse, neglect or exploitation experienced as a child, young person and adult. This is through helplines, resources, training, practice and organisational support, advocacy and awareness.

4. Performance measures

The Foundation measures its performance through the use of both quantitative and qualitative measures such as reach on helplines, fact sheet and publication downloads and purchases, number of trainings, visits to website, awareness campaigns, social media analytics, media reach across traditional platforms, success of fundraising campaigns, feedback from our survivors, the number of survivor and carer workshops that are run through the year.

5. Principal activities

The principal activities of the Foundation during the financial year were the operation of a foundation offering support to adult survivors of complex trauma.

6. Review of operations

Operating revenue

The Foundation's revenue for the financial year was \$7,294,761 (2020: \$6,576,258).

Operating result

The operating surplus for the financial year was \$853,939 (2020: \$1,693,877).

Significant changes in state of affairs

There were no significant changes in the nature of the Foundation's principal activities during the financial year.

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7. Events after the reporting date

It is not practicable to estimate the potential impact of COVID-19 after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significant affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

8. Likely developments and expected results of operations

The Foundation will continue to actively support adult survivors of complex trauma. Likely developments in the operations of the Foundation and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Foundation.

9. Environment regulation

The Foundation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

10. Foundation secretary

At the date of this report, the position of Foundation Secretary was held by Terry Kirkpatrick and Belinda Johnson co-secretary.

11. President

At the date of this report, the position of President was held by Dr. Cathy Kezelman.

12. Meetings of directors

During the financial year 2020/2021, 1 face-to-face meeting and 4 virtual meetings of Directors were held. These meetings occurred on 1 August 2020, 19 September 2020, 21 November 2020, 13 February 2021 and 5 May 2021.

The number of meetings of the Foundation's board of directors held during the year ended 30 June 2021 and the number of meetings attended by each Director were:

| Director | Board of Directors | |
|--------------------------|-----------------------------|-------------------|
| | Meetings eligible to attend | Meetings attended |
| Cathy Kezelman | 5 | 5 |
| Belinda Johnson | 5 | 5 |
| Angela Mckenzie-Mountain | 5 | 5 |
| Matthew Rockell | 5 | 3 |
| Sarah Gatehouse | 5 | 5 |
| Philippa Bell | 5 | 5 |
| Terry Kirkpatrick | 5 | 3 |
| Mia Kwok | 5 | 5 |
| Silvio Del Vecchio | 3 | 3 |

13. Loans to directors and executives

There were no loans to directors and executives during the year ended 30 June 2021.

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DIRECTORS' REPORT

14. Contributions on winding up

The Foundation is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Foundation is wound up, the constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the Foundation. At 30 June 2021, the total amount that members of the Foundation are liable to contribute if the Foundation is wound up is 1,923 (2020: 1,707).

15. Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 10 of the financial report.

This report is made in accordance with a resolution of the directors.

For and on behalf of the Board

Sarah Gatehouse

Chairperson



Date: 15/11/2021

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BLUE KNOT FOUNDATION**

As auditor of Blue Knot Foundation for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* and under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Blue Knot Foundation during the period.

MGI Sydney Assurance Services

MGI Sydney Assurance Services Pty Limited
Chartered Accountants



Kimmy Jongue
Director
Sydney, 15 November 2021

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

| | Note | 2021 \$ | 2020 \$ |
|---|------|------------------|------------------|
| Revenue | | | Restated* |
| Government grants | | 4,947,442 | 4,933,397 |
| Donations | 15 | 50,375 | 76,982 |
| Fundraising income | 15 | 12,545 | 10,008 |
| Workshop income | | 1,170,108 | 1,222,800 |
| Other | 4 | 1,114,291 | 333,071 |
| Total Revenue | | 7,294,761 | 6,576,258 |
| Expenses | | | |
| Expenditure supporting fundraising activities | 15 | 14,226 | 38,407 |
| Expenditure supporting grant activities | | 4,780,126 | 3,835,598 |
| Expenditure supporting Blue Knot Foundation services | | 163,695 | 69,471 |
| Expenditure to support workshops | | 242,274 | 372,296 |
| Administrative expenses | | 1,240,501 | 566,609 |
| Total Expenses | | 6,440,822 | 4,882,381 |
| Surplus before income tax | | 853,939 | 1,693,877 |
| Income tax expense | | - | - |
| Surplus for the year | | 853,939 | 1,693,877 |
| Surplus attributable to members of the Foundation | | 853,939 | 1,693,877 |
| Other comprehensive income | | - | - |
| Total other comprehensive income attributable to members of the Foundation | | - | - |
| Total comprehensive income for the year | | 853,939 | 1,693,877 |

* The comparative information is restated on account of a correction or error. See Note 17.

The accompanying notes form part of these financial statements.

BLUE KNOT FOUNDATION
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

| | Note | 2021 \$ | 2020 \$ |
|--------------------------------------|------|------------------|------------|
| Current assets | | | *Restated |
| Cash and cash equivalents | 5 | 5,930,507 | 5,092,392 |
| Trade and other receivables | 6 | 206,849 | 60,672 |
| Other assets | | 75,321 | 51,710 |
| Total current assets | | 6,212,677 | 5,204,774 |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 312,121 | 295,473 |
| Right-of-use assets | 8 | 690,473 | 901,412 |
| Total non-current assets | | 1,002,594 | 1,196,885 |
| Total assets | | 7,215,271 | 6,401,659 |
| Current liabilities | | | |
| Trade and other payables | 9 | 375,600 | 324,127 |
| Employee benefits | 10 | 239,653 | 115,205 |
| Lease liabilities | 11 | 206,722 | 188,521 |
| Contract liabilities | 12 | 978,895 | 981,610 |
| Total current liabilities | | 1,800,870 | 1,609,463 |
| Non-current liabilities | | | |
| Employee benefits | 10 | 15,077 | 42,769 |
| Lease liabilities | 11 | 530,474 | 734,516 |
| Total non-current liabilities | | 545,551 | 777,285 |
| Total liabilities | | 2,346,421 | 2,386,748 |
| Net assets | | 4,868,850 | 4,014,911 |
| Equity | | | |
| Retained surplus | | 4,868,850 | 4,014,911 |
| Total equity | | 4,868,850 | 4,014,911 |

* The comparative information is restated on account of a correction or error. See Note 17.

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

| 2020 | Retained surplus | Total |
|--|-----------------------------|------------------|
| | \$ | \$ |
| Balance at 1 July 2019 | 2,321,034 | 2,321,034 |
| Comprehensive income | | |
| Restated surplus for the year* | 1,693,877 | 1,693,877 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year attributable to the members of the Foundation | 1,693,877 | 1,693,877 |
| Restated balance at 30 June 2020 | 4,014,911 | 4,014,911 |
| 2021 | | |
| Restated balance at 1 July 2020 | 4,014,911 | 4,014,911 |
| Comprehensive income | | |
| Surplus for the year | 853,939 | 853,939 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year attributable to the members of the Foundation | 853,939 | 853,939 |
| Balance at 30 June 2021 | 4,868,850 | 4,868,850 |

* The comparative information is restated on account of a correction or error. See Note 17.

The accompanying notes form part of these financial statements.

BLUE KNOT FOUNDATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

| | Note | 2021 \$ | 2020 \$ |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Receipts from customers and other contributions | | 7,758,882 | 7,814,018 |
| Payments to suppliers and employees | | (6,633,988) | (5,092,036) |
| Interest received | | 32,905 | 50,299 |
| Interest paid | | (36,921) | (32,648) |
| Net cash generated from operating activities | 14 | <u>1,120,878</u> | <u>2,739,633</u> |
| Cash flows from investing activities | | | |
| Payments for property, plant & equipment | | (94,931) | (340,930) |
| Net cash used in investing activities | | <u>(94,931)</u> | <u>(340,930)</u> |
| Cash flows from financing activities | | | |
| Repayment of lease liabilities | | (187,832) | (141,614) |
| Net cash used in financing activities | | <u>(187,832)</u> | <u>(141,614)</u> |
| Net increase in cash and cash equivalents | | 838,115 | 2,257,089 |
| Cash and cash equivalents at the beginning of the financial year | | <u>5,092,392</u> | <u>2,835,303</u> |
| Cash and cash equivalents at the end of the financial year | 5 | <u>5,930,507</u> | <u>5,092,392</u> |

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

The financial report covers Blue Knot Foundation ("the Foundation") as an individual entity. Blue Knot Foundation is incorporated and domiciled in Australia. Blue Knot Foundation is a company limited by guarantee.

The functional and presentation currency of Blue Knot Foundation is Australian dollars.

The financial statements were authorised for issue on the date of the directors' declaration. The directors have the power to amend and reissue the financial report.

1. Basis of Preparation

The directors have prepared the financial statements on the basis that the Foundation is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act). The Foundation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the ACNC Act, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Statement of Cash Flows*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048: *Interpretation of Standards*, and AASB 1054: *Australian Additional Disclosures*, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The Foundation has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

2. Significant accounting policies

a. Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Foundation is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Foundation: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

2. Significant accounting policies (continued)

a. Revenue recognition (continued)

Government grants

Grant revenue is recognised in profit or loss when the Foundation satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Foundation is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a contract liability until those conditions are satisfied.

Donations and fundraising income

Donations are recognised when the Foundation obtains controls of the contribution or the right to receive the contribution. Significant confirmed donations are accrued at the balance sheet date when it is probable the donation will be received and the amount can be measured reliably.

Workshop income and consulting and supervision services

Where a performance obligation exists or is created, a contract liability is recognised as a related amount of the entitlement in exchange for transferring goods or services to a customer. The Foundation recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Interest income

Interest revenue is recognised as it accrues using the effective interest method.

Other income

Other income is recognised on an accrual basis when the Foundation is entitled to it.

All revenue is stated net of the amount of goods and services tax.

b. Income tax

As the Foundation is a charitable institution, the Foundation is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997* (Cth).

c. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Significant accounting policies (continued)

c. Current and non-current classification (continued)

A liability is classified as current when: it is either expected to be settled in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

d. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

e. Trade receivables

Trade and other receivables include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 2(j) for further discussion on the determination of impairment losses

f. Property, Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| | |
|------------------------|---------|
| Furniture and Fittings | 5 years |
|------------------------|---------|

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

An assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Significant accounting policies (continued)

g. Right-of-use assets and lease liabilities

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Foundation expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Foundation's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

h. Trade payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Foundation during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

i. Contract liability

Contract liabilities represent the Foundation's obligation to transfer services to a client that are recognised when a client or related funder pays consideration, or when the Foundation recognises a receivable to reflect the unconditional right to consideration (whichever is earlier), before the Foundation has transferred the services to the client.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Significant accounting policies (continued)

i. Contract liability (continued)

Grant related contract liabilities represent funding received in advance of delivery of performance obligations which may be recalled by the Commonwealth at their discretion or used to satisfy future performance obligations under the terms of the grant agreement.

Contract liabilities arising from services represent delivery of performance obligations during the financial year 2021.

Grant revenue is recognised as the performance obligations in the related grant agreements are satisfied, generally over time. The consideration received in advance of providing these services is recognised as a contract liability.

j. Financial instruments

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Foundation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Foundation measures a financial asset at its fair value, plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit or loss.

Impairment of assets

The Foundation assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Foundation applies the simplified approach permitted by AASB 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

k. Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. The expected payment amounts are not discounted as the impact on the financial statements is deemed immaterial.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Significant accounting policies (continued)

k. Employee benefits (continued)

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual and long service leave; expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability of annual and long service leave is recognised in the provision for employee benefits. All other short-term benefit obligations are presented as payables.

Long-term obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers

m. Comparative figures

When required by the Accounting Standards adopted for this financial report, comparative figures have been adjusted to conform to changes in presentation for the current year.

n. Economic Dependence

The Foundation is dependent on Federal and State Government Departments ("Departments") for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support the Foundation.

o. New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

The Foundation's assessment of the impact of Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Foundation for the annual reporting period ended 30 June 2021. The Foundation company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Variable lease payments

Variable lease payments made by the Foundation depend on the rates. These are usually in the form of CPI increases in the rent year-on-year per the lease agreement. These have been taken into account in determining the right of use asset and the lease liability over the period of the lease term. The Foundation evaluates any changes to the variable lease payments on account of external factors and takes them into consideration for the determination of the lease liability.

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Plant and equipment

As indicated in Note 2(f) the Foundation reviews the useful life of plant and equipment on annual basis.

BLUE KNOT FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|---|------------------|------------------|
| | \$ | \$ |
| 4. Other revenue | | |
| Consulting and supervision services | 236,775 | 111,893 |
| Job keeper | 752,300 | 72,000 |
| Interest income | 32,905 | 50,299 |
| Membership fees | 16,271 | 12,767 |
| Merchandise income | 14,679 | 30,451 |
| Sundry income | 61,361 | 55,661 |
| | 1,114,291 | 333,071 |
| 5. Cash and cash equivalents | | |
| Cash on hand | 3,911,256 | 3,088,180 |
| Term deposits | 2,019,251 | 2,004,212 |
| | 5,930,507 | 5,092,392 |
| 6. Trade receivables | | |
| Trade receivables | 206,849 | 60,672 |
| | 206,849 | 60,672 |
| 7. Property, plant and equipment | | |
| <u>Cost</u> | | |
| Opening balance | 375,069 | 34,139 |
| Additions for the year | 94,931 | 340,930 |
| Closing balance | 470,000 | 375,069 |
| <u>Accumulated depreciation</u> | | |
| Opening balance | (79,596) | (30,828) |
| Depreciation charge for the year | (78,283) | (48,768) |
| Closing balance | (157,879) | (79,596) |
| Net book value | 312,121 | 295,473 |

BLUE KNOT FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| 8. Right-of-use assets | | |
| Property & Photocopier | 1,064,651 | 1,064,651 |
| Accumulated amortisation | (374,178) | (163,239) |
| | 690,473 | 901,412 |
| 9. Trade and other payables | | |
| Trade payables | 78,900 | 60,787 |
| GST payables | 121,594 | 172,316 |
| Accrued expenses | 114,173 | 18,939 |
| Other payables | 60,933 | 72,085 |
| | 375,600 | 324,127 |
| 10. Employee benefits | | |
| CURRENT | | |
| Provision for annual leave | 204,936 | 115,205 |
| Provision for long service leave | 34,717 | - |
| | 239,653 | 115,205 |
| NON-CURRENT | | |
| Provision for long service leave | 15,077 | 42,769 |
| | 15,077 | 42,769 |
| 11. Lease liabilities | | |
| CURRENT | | |
| Photocopier | 24,299 | 22,607 |
| Property | 182,423 | 165,914 |
| | 206,722 | 188,521 |
| NON-CURRENT | | |
| Photocopier | 58,407 | 80,025 |
| Property | 472,067 | 654,491 |
| | 530,474 | 734,516 |

BLUE KNOT FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|--|------------------|------------------|
| | | Restated |
| | \$ | \$ |
| 12. Contract liabilities | | |
| Workshops | 573,615 | 276,475 |
| Grant programs | 405,280 | 705,135 |
| | <u>978,895</u> | <u>981,610</u> |
| | | |
| | 2021 | 2020 |
| | \$ | \$ |
| 13. Auditor's Remuneration | | |
| Remuneration of the auditor of the Foundation, MGI Sydney for: | | |
| - Auditing or reviewing the financial statements | 6,800 | 6,300 |
| - Other services | 12,950 | 12,398 |
| | <u>19,750</u> | <u>18,698</u> |
| | | |
| 14. Cash flow reconciliation | | |
| Net current year surplus | 853,939 | 1,693,877 |
| <i>Adjusted for:</i> | | |
| Non-cash items: | | |
| Depreciation and amortisation | 291,213 | 212,007 |
| Change in assets and liabilities: | | |
| (Increase) in trade and other receivables | (146,177) | 76,776 |
| (Increase) in prepayments | (23,611) | (29,032) |
| Increase in trade payables and provisions | 148,229 | 212,420 |
| (Decrease)/increase in other creditors | (2,715) | 573,585 |
| | <u>1,120,878</u> | <u>2,739,633</u> |
| Cash flow from operations | | |

15. Fundraising activities conducted during the year

Information to be furnished under the *Charitable Fundraising Act 1991* (NSW).

The net surplus from fundraising activities conducted during the financial year was:

BLUE KNOT FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$ | \$ |
| Donations revenue | 50,375 | 76,982 |
| Fundraising revenue | 12,545 | 10,008 |
| Less: fundraising expenses | (14,226) | (38,407) |
| Net Surplus obtained from fundraising appeals | <u>48,694</u> | <u>48,583</u> |
| Ratio of expense to revenue | 23% | 44% |
| Ratio of net surplus to revenue | 77% | 56% |

16. Related Parties

(a) Key management personnel disclosures

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Foundation, directly or indirectly, including any director (whether executive or otherwise) of that Foundation is considered key management personnel.

The Directors of Blue Knot Foundation during the year were Dr. Cathy Kezelman, Belinda Johnson, Angela McKenzie-Mountain, Matthew Rockell, Sarah Gatehouse, Philippa Bell, Terry Kirkpatrick, Silvio Del Vecchio and Mia Kwok. Dr. Cathy Kezelman was also the President of Blue Knot Foundation during the year.

Directors are not paid for acting in the capacity of a Board Member. Amounts have been paid to the Directors acting in their capacity as employees of the Foundation.

The totals of remuneration paid to the key management personnel of Blue Knot Foundation during the year are as follows:

| | 2021 | 2020 |
|---------------------------------------|----------------|---------|
| | \$ | \$ |
| Key management personnel compensation | <u>370,278</u> | 347,705 |
| | <u>370,278</u> | 347,705 |

17. Correction of errors

During 2021, the Foundation discovered that revenue in 2020 had been erroneously recognised in its financial statements as a result of the change in accounting policy last year for AASB15 *Revenue from Contracts with Customers*. As a consequence, revenue has been overstated and contract liabilities has been understated. The errors have been corrected by restating the affected financial statement line items for the prior period. The following tables summarise the impacts on the financial statements.

BLUE KNOT FOUNDATION
A.B.N 49 072 260 005

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

i. Statement of financial position

| 30 June 2020 | Impact of correction of error | | |
|----------------------------------|-------------------------------|------------|-------------|
| | As previously reported | Adjustment | As restated |
| | \$ | \$ | \$ |
| Total assets | 6,401,659 | - | 6,401,659 |
| Contract liabilities | 554,713 | 426,897 | 981,610 |
| Total current liabilities | 1,182,566 | 426,897 | 1,609,463 |
| Total liabilities | 1,959,851 | 426,897 | 2,386,748 |
| Retained earnings | 4,441,808 | (426,897) | 4,014,911 |
| Total equity | 4,441,808 | (426,897) | 4,014,911 |

ii. Statement of Profit or Loss and Other Comprehensive Income

| For the year ended 30 June 2020 | Impact of correction of error | | |
|--|-------------------------------|------------|-------------|
| | As previously reported | Adjustment | As restated |
| | \$ | \$ | \$ |
| Government grants | 5,360,294 | (426,897) | 4,933,397 |
| Total Revenue | 7,003,155 | (426,897) | 6,576,258 |
| Total Expenses | 4,882,381 | - | 4,882,381 |
| Surplus for the year | 2,120,774 | (426,897) | 1,693,877 |
| Total comprehensive income for the year | 2,120,774 | (426,897) | 1,693,877 |

18. Events occurring after the reporting date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the Foundation up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

19. Contingences

In the opinion of the Directors', the Foundation did not have any contingencies at 30 June 2021 (30 June 2020: Nil).

20. Foundation details

The registered office and principal place of business is:
Level 1, 1 James Place
North Sydney, NSW, 2060

**BLUE KNOT FOUNDATION
A.B.N 49 072 260 005**

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2021**

The directors of Blue Knot Foundation declare that, in the directors' opinion:

- (a) the financial statements and notes, as set out on pages 11 to 26, comply with Australian Accounting Standards and give a true and fair view of the financial position of the Blue Knot Foundation as at 30 June 2021 and of its performance for the year ended on that date.
- (b) this declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* (Cth).
- (c) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Sarah Gatehouse

Chair



Date: 15/11/2021

**BLUE KNOT FOUNDATION
A.B.N 49 072 260 005**

**DECLARATION BY THE PRESIDENT IN RESPECT OF FUNDRAISING APPEALS
FOR THE YEAR ENDED 30 JUNE 2021**

I, Dr. Catherine Kezelman AM, President of Blue Knot Foundation declare that in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of Blue Knot Foundation with respect to fundraising appeal activities for the financial year ended 30 June 2021.
- (b) the Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2021.
- (c) the provisions of the *Charitable Fundraising Act 1991* (NSW) and Regulations and the conditions attached to the authority have been complied with during the period from 1 July 2020 and 30 June 2021.
- (d) the internal controls exercised by Blue Knot Foundation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



Dr. Catherine Kezelman AM

President

Date: 15/11/2021



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BLUE KNOT FOUNDATION

Opinion

We have audited the financial report of Blue Knot Foundation ("the Foundation"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial report, including a summary of significant accounting policies, and the director's declaration.

In our opinion, the accompanying financial report of Blue Knot Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act 2012"), including:

- a) giving a true and fair view of the Foundation's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Notes 1 and 2, and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Foundation in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.



Other Information

The directors of the Foundation are responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the Chairman's Report, President's Report and the Director's Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation as described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the director determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Report on the requirements of the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulations 2015

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991*. The directors of the Foundation are responsible for the preparation and presentation of the financial report in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the *NSW Charitable Fundraising Regulations 2015*. Our responsibility is to express an opinion on the financial report based on our audit.

Opinion

In our opinion, in all material respects:

- a. The financial report of the Foundation is prepared and associated records have been properly kept, during the financial year ended 30 June 2021, in accordance with:
 - i. sections 20(1), 22(1-2) and 24(1-3) of the *NSW Charitable Fundraising Act 1991*; and
 - ii. sections 10(6) and 11 of the *NSW Charitable Fundraising Regulations 2015*; and
- b. money received as a result of fundraising appeals activities conducted by the Foundation during the year ended 30 June 2021 has been properly accounted for and applied in accordance with the above mentioned Act and Regulations.

MGI Sydney Assurance Services

MGI Sydney Assurance Services Pty Limited
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Kimmy Jongue', written over a light blue horizontal line.

Kimmy Jongue
Director
Sydney, 15 November 2021